The Federal Diary

Study Planned On Retirement

By Jerry Kluttz

Look for a new study to be made of the current and potential costs to Uncle Sam of all Federal retirement systems that could chill employe and Congressional enthusiasm for further liberalizations of them.

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It's merely a question of which agency, or agencies, will make the study. General Accounting Office is a good bet to do it but Defense, Civil Service Commission, Budget Bureau and others are interested in the project.

The contingent liabilities of the various retirement funds are now in excess of $100 billion and they are growing at a rapid rate. The military retirement system has a liability of about $65 billion. Military personnel don't contribute to it, and this year's Defense budget carries $1.8 billion to pay retirement costs, up from $1.6 billion last year.

CSC has a liability of $45 billion in its system even though employes contribute 6.5 per cent of their salaries to it. But the cost of Civil Service retirement now is about 24 per cent of payroll. It's only a question of time before the Government must substantially increase its payments to the fund, and maybe employes too. In addition there are half a dozen other Federal retirement systems.

Benefit: Employes who retire before the cost-of-living increase goes into effect will get an increase of approximately 4.5 per cent in their annuities. In other words, they'll get a cost-of-living increase of about 3.5 per cent, plus an automatic 1 per cent which goes to all who retire this year under a sliding scale of benefits approved in 1962.

This means that if the rise in cost of living during September is confirmed, retirees can look forward to an annuity increase of about 3.5 per cent effective Jan. 1. In addition, those retiring before the cost-of-living increase goes into effect, would get it, plus the automatic 1 per cent additional which covers workers who retire on or before Dec. 31.

Sharp: Dr. Nathan T. Wolkomir, the PhD who is president of the National Federation of Federal Employes, has a way with words. Examples:

During his debate with Civil Service Chairman John W. Macy over Federal personnel policies, he wondered if the President's Great Society program could turn out to be the "Great Anxiety" for Federal workers.

In his plea to the NFFE convention for higher membership dues, he told the delegates: "If you want to be a sewing circle I'll teach you how to thread needles, but if you want an aggressive union you'll have to pay for it." Note: He got the increase without a single protest.

When several Federal officials mildly complained to him that some local NFFE leaders were "unreasonable," Wolkomir responded: "You fellows have to learn that NFFE is not a 'sweetheart' organization that will dance when management plays the tune. We're a union and we're acting like one."

Inconsistent: James C. O'Brien, Health, Education and Welfare's personnel director, has been catching a few brickbats in forseeing the possibility of strikes in Government unless some way is found to resolve bargaining impasses between unions and management. But not a peep was heard when CSC Chairman Macy expressed the same thought a few months earlier.

Quality: At long last, Post Office has funds to make effective in-step pay raises for employes who do high quality work . . . Internal Revenue proudly reports that it exceeded its $12.9 million cost reduction goal during fiscal 1966.

Agriculture is considering a plan to provide free physical exams for its employes aged 40 and over. The health program would start here and be gradually extended to field personnel.

The Department also is making a study of employe accidents on the job that cost it $2.2 million a year. It is compiling statistics on each accident, and the information will be used to develop a meaningful safety program.

A Navy study indicates that about 50 per cent of its civilian employes will be eligible for retirement during the next 10 years. Shortages of shipyard workers will get worse before it gets better. Navy already has had to bring in British workers at Norfolk, and Canadian workers at its Seattle shipyard.

Navy has about 355,000 civilians and the number will rise about 10,000 this year. Because of high turnover, it will hire about 75,000 instead of the normal 30,000 or 35,000.